

OIL, GAS, AND MINERAL LEASE

This Oil, Gas, and Mineral Lease (the "Lease") is dated May 12, 2008 (the "Effective Date"). The parties to this Lease are Jack Dominick Jr., as Lessor (whether one or more), whose address is 10 Dudley Square, Shreveport, Louisiana 71106 and GMX Resources Inc., as Lessee, whose address is 9400 N. Broadway, Suite 600, Oklahoma City, Oklahoma 73114.

1. In consideration of Ten Dollars (\$10.00), paid to Lessor, for the royalties provided below, and the agreements of Lessee contained in this Lease, all deemed adequate consideration, Lessor grants, leases, and lets exclusively to Lessee for the purposes of investigating, exploring, prospecting, drilling, mining for, and producing oil, gas, and all other minerals, laying pipelines, building tanks, power stations, telephone lines, and other structures to produce, save, take care of, treat, transport, and own products and for dredging and maintaining canals, constructing roads and bridges, and structures in general, for all appliances, equipment, and in general all servitudes and privileges which may be necessary, useful, convenient to, or in connection with any operations conducted by Lessee on the lands covered by this Lease, or on any adjacent lands. The lands covered by this Lease (the "Lands") are located in Caddo and Bossier Parish, Louisiana, and are described as follows:

See EXHIBIT "A" for description

The Lands are deemed to contain 1,500.0 acres, whether more or less.

This Lease also covers and includes battures, accretions, and all other lands owned by Lessor adjacent to the Lands described above. It is Lessor's intent that this Lease also extend and apply to all outstanding mineral rights or servitudes affecting the Lands that may revert to Lessor and Lessor's heirs or assigns, from time to time, and all property acquired by prescription and all accretion or alluvian attaching to and forming a part of the Lands, whether properly or specifically described or not.

2. It is understood and agreed that this lease covers only oil, gas, and other related hydrocarbons and constituent elements (including, but not limited to sulphur), which may be produced along with or as incidental by-product of the production of oil and/or gas; All coal, lignite, iron ore, gravel and other solid minerals are hereby excluded from this lease.

3. Subject to the provisions set out below, this Lease shall be for a period of three (3) years from the Effective Date (the "Primary Term") and as long thereafter as oil, gas, sulfur, or other minerals are produced from the Lands or land pooled with the Lands; or, the Lease is maintained in force and effect in any other manner provided by this Lease.

4. For the consideration provided in paragraph 1, this Lease shall remain in full force and effect during the Primary Term without additional payments to Lessor, or Lessee being required to conduct any operations on the Lands (either before or after the discovery of minerals), except to drill wells as may be necessary to protect the Lands from drainage.

5. The royalties to be paid by Lessee to Lessor in all instances and upon all substances herein leased are one-fifth (20%). The royalties to be paid Lessor are subject to the following provisions:

- (a) Lessee shall from time to time sell to others or purchase for its own account any royalty oil or other liquid hydrocarbons in its possession, or paying to Lessor, if purchased, the market value thereof prevailing for the field where produced on the date of each sale or purchase, or obtaining for Lessor, if sold, the best possible price available in the immediate vicinity of lease production which value shall not be less than the amount received

by Lessee for its share of the production. Lessee shall not enter into any contract or marketing arrangement expressly regarding oil or other hydrocarbons which are produced from wells located on the Lands or lands pooled with the Lands which obtain for Lessee any advances, payment or other monetary payment or gain or other commitment that may be of value to Lessee and that may not be of value to Lessor.

- (b) The royalty to be paid the Lessor on gas, casinghead gas, and gaseous substances shall be the best possible price available in the immediate vicinity of lease production at the wellhead for said gas, casinghead gas, and gaseous substances produced from the Lands or any lands unitized therewith, and sold or used off the Lands or for the extraction of gasoline or other products therefrom. Notwithstanding anything contained to the contrary in the previous sentence, Lessee shall not sell any gas, casinghead gas, or gaseous substances of Lessor at a price that is less than the price the Lessee receives for the sale of its gas produced in the field and Lessee shall make every effort to sell the gas, casinghead gas, or gaseous substances of Lessor at the best price available in the field where produced. Lessee shall not sell the gas, casinghead gas, or gaseous substances produced from (a) any wells located on the lands described as the Lands in this lease, or (b) any wells located on any lands unitized with these lands described as the Lands in this lease, to a Subsidiary or Affiliate of Lessee unless the value of the gas, casinghead gas, or gaseous substance sold is not less than the market price then current for gas of like character and quality delivered to any other purchaser in the field. "Affiliate" means any Person or Entity (1) which directly or indirectly controls, or is controlled by, or is under common control with the Lessee or a Subsidiary of the Lessee (a "Subsidiary"); (2) which directly or indirectly beneficially owns or holds five percent (5%) or more of any class of voting stock or voting power of the Lessee or any Subsidiary; or (3) five percent (5%) or more of the voting stock or voting power of which is directly or indirectly beneficially owned or held by the Lessee or a Subsidiary. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person or Entity whether through the ownership of voting securities or voting power by contract, or otherwise.
- (c) As a condition of Lessor entering into this lease with Lessee, Lessee in computing Lessor's royalty shall not deduct the cost of treating, gathering, transporting, dehydrating, compressing, extracting, processing, manufacturing, marketing, or any other cost, whether similar or dissimilar to those enumerated. It is clearly understood that Lessor shall be entitled to look only to Lessee for payment of its royalty and shall not be required to deal with purchasers of hydrocarbons produced from the Lands or any other third party. Under no circumstances shall Lessor, in order to obtain payment of the royalties due it hereunder, ever be required to execute a division order or other document that in anyway amends, alters or changes any provision of this lease.
- (d) Lessee shall have free use of oil, gas, casinghead gas, condensate, coal, and water on and from the Lands, except water from Lessor's wells, for all Lessee's operations, including repressuring, pressure maintenance, and recycling. Royalty shall be computed after deducting this usage.
- (e) The royalties as hereinabove provided shall be due and payable without any duty or obligation by the Lessor to sign, execute, or ratify any division orders, transfer orders, unitization agreements or similar instruments. If so requested by Lessor, Lessee agrees to provide Lessor with photocopies of division order title opinions or other documents or instruments relating to Lessor's interest ownership in any producing well(s) located on the Lands or on lands unitized therewith. Lessor agrees that it assumes the risk of

relying on any information contained in the requested Division Order Title Opinions and other documents and instruments furnished to it by Lessee, and neither Lessee nor any person(s) rendering or preparing such Division Order Title Opinions, documents or instruments that are furnished to Lessor shall be liable to the Lessor should Lessor suffer any loss or expense as a result of its reliance thereon, subject to the provisions of the next sentence. Notwithstanding anything contained in the preceding sentence, Lessor shall not be precluded from asserting any claim or cause of action against Lessee, or the assigns of Lessee, and the language contained in the preceding sentence shall not be applicable in the event the Lessor disagrees with or contests the mineral or royalty interests credited to Lessor in any Division Order Title Opinion, documents and instruments to be furnished to Lessor by the Lessee pursuant to the terms of this paragraph, it being understood by the parties hereto that the Lessor reserves herein any and all rights (a) to challenge and contest at any time the mineral and royalty interests credited to Lessor in any Division Order Title Opinion, or other document or instrument furnished by Lessee to Lessor pursuant to this paragraph, and (b) to challenge and contest any amounts tendered to Lessor by Lessee as payment of delay rental, or royalty due the Lessor under the terms of this lease.

- (f) If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, the royalties provided in this paragraph 5 shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. If, during or after the Primary Term, Lessee drills a well capable of producing gas or gaseous substances in paying quantities, (or which produced but Lessee is unable to continue to produce) and Lessee is unable to sell gas because of lack of a market, marketing facilities, or government restrictions, this Lease may be maintained after the Primary Term without production or additional drilling operations if Lessee pays Lessor, as shut-in royalty, Ten Dollars (\$10) per acre per year. The first payment is due, if the well is completed or shut-in after the Primary Term, within 60 days after the completion of a well or the cessation of production. A payment of shut-in royalty will extend Lessee's rights in this Lease for one year from the date of the well completion or cessation of production. If a well is completed during the Primary Term, the first shut-in payment, if made by Lessee, shall be due on or before the expiration date of the Primary Term. After the first payment, Lessee's rights may be continued from year to year by making annual payments in the stated amount on or before the anniversary date beginning with the date of completion of the well (if completed after the Primary Term) or the end of the Primary Term (if completed prior to the end of the Primary Term) as the case may be. Each payment shall extend Lessee's rights and this Lease for one year. The annual payments provided in this paragraph may be deposited to Lessor's credit in the Chase Bank (the "Depository"), at 400 Texas Street, Shreveport, Louisiana 71101, which Bank shall be and remain Lessor's agent regardless of any change or changes in the ownership of the Lands or mineral rights in the Lands. The owners of the royalty as of the date of payments shall be entitled to payments in the proportion to their ownership of the royalty. The provisions of this paragraph shall be recurring at all times during the life of this Lease. If a well producing gas or gaseous substances is completed on a drilling unit which includes any part of the Lands, the provisions of this paragraph shall be subject to all other provisions of this Lease allowing the pooling of the Lands with other lands.

7. Notwithstanding any provision in this Oil, Gas and Mineral Lease to the contrary, the payment of shut-in royalty hereunder shall maintain this lease for a period of not more than two (2) consecutive years after the commencement of each shut-in royalty payment, and at the end of each such two (2) consecutive year period this lease shall terminate unless such gas is being produced and marketed by pipeline connections or there has been prior interruption of such two (2) year consecutive period during which gas was produced and marketed by pipeline connections. Subject to the above limitations the right to hold this lease by the payment of shut-in royalty payments shall be a re-occurring right of the Lessee.

8. If, within 90 days prior to the end of the Primary Term, Lessee completes or abandons a dry hole or holes on the Lands or on land pooled with the Lands, or if previously secured production ceases from any cause, this Lease shall continue in force and effect for 90 days from the date of completion, abandonment, or cessation of production. If at the expiration of the Primary Term or at the expiration of the 90 day period oil, gas, sulfur or other mineral are not being produced on the Lands or on land pooled with the Lands, but Lessee is engaged in operations for drilling or reworking, or if production ceases from any cause after the expiration of the Primary Term, this Lease shall remain in force as long as Lessee either: (a) is engaged in operations for drilling or reworking with no cessation between operations or between the cessation of production and additional operations of more than 90 consecutive days; or, (b) is producing oil, gas, sulfur or other minerals from the Lands or from land pooled with the Lands. If sulfur is encountered on the Lands or on lands pooled with the Lands, this Lease shall continue in force and effect so long as Lessee is engaged in explorations for and/or erecting a plant for producing sulfur and then so long as oil, gas, sulfur, or other minerals are produced from the Lands or land pooled with the Lands.

9. Lessee is granted the right as to all or any part of the Lands, without Lessor's joinder, to combine, pool, or unitize the royalty or mineral interests covered by all or any portion of this Lease, with any other lands, lease, leases, royalty or mineral interests in or under any other tract or tracts of land in the vicinity of the Lands, whether owned by Lessee or some other person or entity, to create, by the combination of the Lands subject to this Lease with other lands and leases, one or more operating units. No operating unit for gas, including condensate, shall include more than 640 acres, or in the case of oil, including casinghead gas, more than 40 acres. However, if any spacing or other rules and regulations of a State or federal commission, agency, or regulatory body, having or claiming jurisdiction has or shall at any time prescribe a drilling or operating unit or spacing rule in the case of gas, including condensate, greater than 640 acres, or in the case of oil or casinghead gas greater than 40 acres, or allow the inclusion of a larger amount of land in a unit to obtain the maximum production allowable, the contemplated unit or units may have, or may be designated to have the same surface content as, but not more than, the unit or the acreage in the prescribed spacing rule. Notwithstanding anything to the contrary, Lessee has the right to and the benefit of an acreage tolerance of ten percent in excess of any authorized drilling or operating unit. Commencing a well or completing a well to produce either oil, gas, casinghead gas, condensate, or other minerals on any portion of an operating unit in which all or any part of the Lands are included, or production of oil, gas, casinghead gas, condensate, or other minerals from a unit, shall have the same effect under the terms of this Lease as if a well were commenced, completed, and producing oil, gas, casinghead gas, condensate, or other minerals in paying quantities on or from the Lands. Lessee or Lessee's designee shall execute and file for record in the records of the Parish in which the Lands are located an instrument identifying or describing the pooled acreage, or a supplemental instrument redesignating the unit, as the case may be. Either prior to production from any unit created under the authority in this Lease, or after cessation of production, Lessee or Lessee's designee has the right to dissolve a unit, without Lessor's joinder or consent, by executing and placing of record in the Parish in which the lands included in the unit are located, an instrument identifying and dissolving the unit. These provisions shall be construed as covenants running with the land and shall inure to the benefit of and be binding on the Lessor and Lessee, their heirs, representatives, successors, and assigns. If an operating unit or units is/are created by Lessee, Lessor shall receive out of production or the proceeds from production from the operating unit or units or out of the shut-in royalty provided for above, that portion of the one fifth (1/5th) royalty, or of the shut-in royalty specified above as the number of acres (mineral acres) out of this Lease placed in any operating unit or units bears to the total number of acres included in the operating unit or units.

10. Notwithstanding anything to the contrary herein contained, when a pooled unit or units are created, either by governmental authority (compulsory units) or by voluntary action of the parties, or by Lessee pursuant to the terms of this lease, which include all or a portion of the Lands, drilling operations, payment of shut-in gas royalty or production from the pool, sand, or formation for which such unit or units were created, all as defined by said governmental authority, or by said voluntary unitization agreement,

or by said pooling declaration, shall maintain this lease in force after the expiration of the primary term, but only as to that portion of the Lands included in said unit or units, regardless of whether said drilling operations or production are on or from the Lands. As to any portion or portions of the Lands not included in the pooled unit or units, this lease shall terminate at the end of the primary term unless otherwise maintained in force and effect as provided for by the provisions of this lease. However, operations for drilling, or reworking operations under the continuous operations or development clauses of this lease, conducted on lands within the boundaries of any unit created, shall maintain this lease in force and effect as to all lands described in this lease until such time as such continuous operations or developments cease. Upon the termination of this lease as to any portion of the Lands pursuant to the terms of this paragraph, Lessee agrees that it will, within thirty (30) days of the termination of the lease as to the acreage not being held pursuant to the terms of this paragraph, execute and file of record the appropriate Act of Partial Release which will fully release the Lessee's rights in the lease as to that portion of the Lands which has not been maintained in accordance with the provisions of this paragraph

11. In case of suit, adverse claim, dispute, or question as to the ownership of all or part of payments or royalties payable under this Lease, Lessee shall not be held to have defaulted in payment until there has been a final disposition of the suit, claim, dispute, or question. Lessee shall have 30 days after being furnished a certified copy of the instrument or instruments disposing of a suit, claim or dispute, or after being furnished with sufficient proof, in the opinion of the Lessee's outside counsel, to reasonably settle such question, within which to resume payments. Should the rights or interest of Lessee be disputed by Lessor, or any other person, the time covered by the pendency of the dispute shall not be counted against Lessee either as affecting the term of the Lease or for any other purpose, and Lessee may suspend any payments due Lessor affected by the dispute until there is a final adjudication or other determination of the dispute, provided Lessee shall deposit the royalty payments affected by the dispute monthly as they accrue into a separate interest-bearing account for the benefit of the claimants pending a final resolution of the dispute. Lessee shall provide Lessor full information with respect to any such disputed royalties monthly as they are deposited in the separate account.

12. In case of cancellation or termination of this Lease from any cause, Lessee shall have the right to retain around each well producing, being worked on, or drilling, the number of acres allocated to each well under spacing and proration rules issued by the Commissioner of Conservation of the State of Louisiana, or any other state or federal authority having control of such matters; or, in the absence of a ruling, forty (40) acres around each well in as near the form of a square as practicable. In the event Lessor considers operations are not being conducted in compliance with this Lease, Lessor shall notify Lessee in writing of the facts relied upon by Lessor deemed a breach of the Lease and Lessee shall have thirty (30) days after receipt of notice to comply with the obligations imposed by the terms of this Lease.

13. When drilling, reworking, production, or other operations are delayed or interrupted by force majeure, that is, by storm, flood or other acts of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, or failure of carriers to transport or furnish facilities for transportation, or a result of some law, order, rule, regulation, requisition or necessity of the government, federal or state, or as a result of any cause beyond the control of Lessee, the time of the delay or interruption shall not be counted against Lessee. Notwithstanding anything in this Lease to the contrary, this Lease shall be extended for a period of time equal to the period Lessee is prevented from conducting drilling or reworking operations on, or producing oil, gas, casinghead gas, condensate or other minerals from, the Lands. Lessee shall immediately notify Lessor in writing of any force majeure event which it claims is delaying or interrupting its operations and shall provide Lessor full and complete information with respect to any claim by Lessor of force majeure and shall use its best efforts to terminate or avoid the force majeure. During any period this Lease is continued in force after its Primary Term solely by force majeure, Lessee shall pay to the owners of the royalty the shut-in royalty provided in paragraph 6., without regard to whether or not there is a shut-in producing well located on the Lands or on land with which the Lands has been pooled.

14. Notwithstanding any provision herein to the contrary, upon the expiration of the primary term of this Lease (or the expiration of any extension or renewal thereof), or upon the expiration of ninety (90) days following the completion of the last well drilled on the leased premises or acreage pooled therewith (whether completed as a well capable of production in paying quantities or as a dry hole), whichever is the later date, this Lease shall terminate as to any lands not included in a pooled unit, proration unit for a lease well or other unit from which any well located thereon is producing or may be capable of producing in paying quantities, or upon which drilling, reworking or other operations calculated to restore production are being pursued as herein provided. After the expiration of the primary term of this Lease, if production on any pooled, proration or other unit permanently ceases from any cause either voluntary or involuntary (and if this Lease is not otherwise being maintained), this Lease shall terminate as to the lands included in such unit unless Lessee within ninety (90) days thereafter commences reworking operations or the actual drilling of a new well thereon. In such event the Lease will continue in effect as to the lands included in such unit so long as such drilling or reworking is prosecuted with no cessation of such operations for more than ninety (90) consecutive days until production is restored. Upon termination of this lease as to any depths and/or acreage covered hereby, Lessee shall upon written demand from Lessor, deliver to Lessor an instrument, executed by Lessee in recordable form that:

- (i) designates the producing wells that retain leased lands in the extended terms;
- (ii) sets forth the description of the leased lands that are retained by each producing well;
- (iii) sets forth the date of the electric log run on each well with references to sand interval depth on such log for the base of the deepest producing reservoir in the well;
- (iv) release all of the described lands that are not retained by a producing well as provided hereinabove

15. It is understood and agreed that at the end of the primary term of this Lease or upon the expiration of any extension or renewal, or after cessation of operations as provided herein, whichever occurs last, Lessee shall release all rights lying below one hundred feet (100') below the base of the deepest depth drilled.

16. If a well or wells producing oil, gas, casinghead gas or condensate in paying quantities is brought in on adjacent lands not owned by Lessor and within 330 feet of and draining the Lands, Lessee agrees to drill an offset well or as many wells as a reasonably prudent operator would drill under the same or similar circumstance to prevent drainage.

17. Surface Operations.

- (a) Lessee hereby agrees that it will use only so much of the surface of the Lands as is reasonably necessary to conduct Lessee's operations. No drilling site shall occupy an area exceeding approximately 400 feet by approximately 400 feet. Lessee shall, insofar as practicable, restore the surface to its original condition at the earliest reasonable time.
- (b) No well will be drilled or any pipeline constructed on the Lands within five hundred (500) feet of any structure now or hereafter placed on the Lands without the written consent of Lessor.
- (c) Lessee shall bury all pipelines in the ground (except those on the well site) between thirty-six and forty-eight inches below normal ground level where contours of the surface will permit. Lessee agrees that in the event it elects to lay flow lines, gathering lines, or pipelines on the Lands to transport oil or gas produced from a well or wells located on the Lands, or on lands unitized therewith, that the flow lines, gathering lines, and /or pipelines to be laid shall be laid in such a manner (a) as to least restrict or diminish the use of the Lands, and (b) as to cause the least amount of

damage as practical to the Lands and the timber located thereon.

- (d) Lessee shall give Lessor ten (10) days' advance written notice prior to conducting any operations upon the Lands which will necessitate the cutting or removal of any timber or the destruction of any crops, including, but without being limited to, the building of roads, pits, drill sites and pipeline. The notice shall be accompanied by a plat or map showing the proposed location of all such operations. In addition, Lessee shall contact Lessor by telephone at 1-318-458-1820 for directions as to the location of an entrance road, timber removal, site clearance and similar operations.
- (e) Lessee shall be responsible for all damage to property and injury to persons, including death, by reason of, or in connection with its operations hereunder, and does hereby agree to protect, save harmless, and indemnify Lessor from and against any and all claims and liabilities for damages to property and injuries, including death, to persons, including, but not limited to, Lessee's employees, agents, and contractors, such damages and injuries arising out of, or in connection with Lessee's operations hereunder, and Lessee shall, at Lessee's sole expense, handle all such claims, defend lawsuits, or other actions which may be brought against Lessor therein, pay all judgments rendered against Lessor therein and reimburse Lessor for any expenditures which it may make on account thereof, including but not limited to Lessor's attorney's fees and costs of defense, unless such damage or injury is caused solely by Lessor's acts, omissions, or negligence.
- (f) Lessee shall conduct its operations on the Lands in compliance with all environmental laws and regulations of the State of Louisiana, United States of America, and all governmental agencies and bodies charged with enforcing environmental regulations. Lessee agrees that the Lands will be kept free from any environmental damage, other than surface damages caused by customary oil and gas operations conducted in a reasonable and prudent manner, including the presence of any hazardous materials or hazardous substances (as said hazardous materials and hazardous substances are defined under federal and state law), arising out of or resulting from the Lessee's operations on the Lands. In the event the operations of Lessee on the Lands results in a loss or damage to the Lessor and or the presence of hazardous materials and hazardous substances placed on the Lands by Lessee, its employees, or subcontractors, Lessee agrees to hold harmless and indemnify the Lessor for any loss or damage suffered by Lessor (including all fines and penalties assessed against Lessor by state or federal governmental agencies charged with enforcing environmental regulations, and all remedial costs incurred in replacing the environmental condition of the Lands to the condition existing prior to the execution date of this lease). This indemnification shall include, but not be limited to, any and all judgments or penalties to recover the cost of cleanup of any such release of hazardous materials or hazardous substances by Lessee, its employees, agents, and subcontractors from or upon the Lands and all expenses incurred by Lessor as a result of any civil action brought against Lessor, including, but not limited to Lessor's attorney's fees and all costs of defense. The provisions of this paragraph shall apply regardless of acquiescence or negligence or allegations thereof on the part of either party and shall apply notwithstanding any other provision of this agreement to the contrary.

18. After completion of any well, lessee shall pump out and remove all mud from the slush pit, remove all equipment, above ground pipe and other materials not necessary for the production operations of the well from the surface of the land. The drilling site shall be seeded and restored as near as is reasonably practical to its original condition. Lessee shall pay for all damages to the land covered in this lease, or other property located on the lease premises, including but not limited to damages to present timber, crops, pastures, fences, roads, gates, bridges, lakes, streams, drainage ditches, or

other drainage facilities, and other improvements, and agrees not to cause any interference with or obstruction of any natural drains, ditches or canals. In the event a well is completed, Lessee agrees to construct an all weather road to the drill site including cattle gaps, fences, or other barricades in order to protect cattle from injury by slush pits, pumps, and other equipment located on the well site. Lessee agrees to use existing roads to the fullest extent prior to crossing any field in order to reach a drill site. Lessee agrees to pay all reasonable surface damages caused by its operations, or for any timber that may be destroyed by Lessee's operations. It is understood that the Lands are used for farming and ranching and Lessee shall provide all other means necessary to protect Lessor's use of the premises from Lessee's operations under this lease.

19. Lessee shall level and restore any of the Lands damaged as a result of moving in and from the drilling site, and restore all roads which may be damaged by Lessee's equipment to the condition existing prior to use by Lessee.

20. Lessee shall keep all equipment in a neat, clean, and orderly appearance, including painting equipment when necessary to maintain an aesthetically attractive appearance.

21. Lessee shall have the right at any time during or within a period of three (3) months after the expiration of this Lease to remove all property and fixtures placed on the Lands by Lessee, including the right to draw and remove all casing. Any property or fixtures which have not been removed within three (3) months after the expiration of this Lease shall, at the Lessor's option, become Lessor's property.

22. Following the completion or cessation of operations, if any, the Lessee shall complete all of its obligations to restore and protect Lessor's property as provided in this lease within six months after completion or abandonment of any well. Should Lessee, its successors or assigns fail to comply with its obligations to restore and protect the property of the Lessor as provided in this Lease within 6 months of cessation of drilling operations, Lessee agrees to immediately pay an additional sum of \$5,000.00 as liquidated damages and each year thereafter until the surface is restored as provided herein. The payment of the liquidated damages shall not relieve the Lessee of its obligations and responsibility of restoring the land to its previous condition.

23. Lessee shall observe all rules, laws and regulations regarding the use of levees and shall be responsible to the Caddo Levee Board for any damage thereto. Lessee further obligates itself to dispose of all chemical waste resulting from its drilling, operations including the disposal of any waste remaining upon abandonment or cessation or operations. Lessee agrees to indemnify Lessors for damages or loss sustained by reason of its failure to comply with this provision and to hold harmless and indemnify Lessors from the claims of any third party persons who may claim damages resulting from failure to observe the environmental protection regulations including the proper disposal of any chemical wastes used by Lessee.

24. Upon termination of all or any portion of this Lease by its terms, Lessee shall promptly record an appropriate instrument(s) to evidence such termination and release of the Lands affected in a timely manner. Any instrument shall be made free of encumbrances created by or under the Lessee, and Lessee shall, within thirty (30) days of recordation of such instrument(s), mail or deliver to the Lessor a certified copy of same.

25. All notices given under the provisions of this lease shall be mailed by certified mail, return receipt requested, to the Lessor and Lessee at the following addresses:

LESSOR: JACK DOMINICK, JR.
10 Dudley Square
Shreveport, Louisiana 71106

WITH A COPY TO: Billy R. Pesnell
The Pesnell Law Firm
(A Professional Law Corporation)

928066

H.C. Beck Building, Suite 1100
400 Travis Street
Post Office Box 1794
Shreveport, LA 71166-1794

LESSEE: GMX Resources, Inc.
9400 N. Broadway, Suite 600
Oklahoma City, Oklahoma 73114.

26. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under the Lands, provided the bottom hole location of any such well is located on the Lands or on lands pooled or unitized with the Lands. To this end, Lessor hereby grants to Lessee a subsurface easement for all purposes associated with such directional wells.

27. All or part of the rights of either Lessor or Lessee may be assigned subject to the following provisions:

- (a) No change or division in ownership of the Lands, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change or division in the ownership of the Lands, monies due, or royalties shall be binding on Lessee for any purpose until the person acquiring any interest has furnished Lessee with a certified copy of the instrument or instruments constituting the chain of title from the original Lessor.
- (b) No assignment or sublease made by the Lessee shall relieve the Lessee herein of any duties, liabilities or obligations owed Lessor. Any assignment or sublease of this lease made by the Lessee or its assigns shall contain a specific provision providing that the new assignee/sublessee shall personally assume all of the obligations due the Lessor imposed on the Lessee in this lease. Lessee shall promptly notify Lessor of any assignment or sublease and shall provide Lessor a copy of any such assignment or sublease upon Lessee's request.

28. This Lease shall be binding on all who execute it, whether or not named as Lessor, and without regard to whether this same instrument, or any copy, shall be executed by any other Lessor named above and shall be binding upon the heirs, successor and assigns of Lessor and Lessee.

29. It is understood and agreed that this lease is granted and accepted without any warranty of title by Lessor whatsoever, express or implied, even as to the return of the bonus or any royalties, and without any recourse against Lessor whatsoever.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature below, but shall be effective for all purposes as of the Effective Date stated above.

Witnesses

Craig Bohuslaw
Craig Bohuslaw
Brenda Palka
Brenda Palka

Lessor

Jack Dominick, Sr.
Jack Dominick, Sr.

928066

STATE OF LOUISIANA
PARISH (OR COUNTY) OF CADDO

On this 9th day of May, 2008 before me personally appeared JACK
DOMINICK JR., to me known to be the person described in and who executed the
foregoing instrument, and acknowledged that he executed the same as his free
act and deed.


Notary Public



DEBRA N. ERWIN
Notarial ID No. 33198
NOTARY PUBLIC
BOSSIER PARISH, LA
COMMISSIONED FOR LIFE

905

928066

EXHIBIT "A"

ATTACHED to and made a part of that certain Oil, Gas and Mineral Lease dated May 9, 2008 between Jack Dominick Jr., dealing in his sole and separate property, as Lessor, and GMX Resources Inc., as Lessee.

DESCRIPTION

Township 23 North – Range 14 West

Section 20 – The West One-Quarter of the West Half (W/4 of W/2), less and except the East 5.0 acres thereof and less and except the South 5 acres of the Westerly 622 feet of said Section 20. Containing 70.37 acres more or less.

Section 32 – All the part of Section 32 lying South and West of the Red River, less and Except the West Half of Southwest Quarter (W/2 of SW/4).

Section 33 – All that part of Section 33 lying South and West of the Red River.

Section 34 – All that part of Section 34 lying South and West of the Red River.

The land located in Section 32, 33 and 34 containing 850 acres more or less.

Township 22 North – Range 14 West

Section 3 – All that portion of the North Half (N/2) lying West of the Red River.

Section 4 – All that portion of the North Half (N/2) lying West of the Red River.

Section 5 – North Half of Northeast Quarter (N/2 of NE/4) and Southeast Quarter of of Northeast Quarter (SE/4 of NE/4).

The land located in Section 3, 4 and 5 containing 600 acres more or less.

Township 22 North – Range 16 West

Section 10 – North Half of Northeast Quarter (N/2 of NE/4), containing 80 acres.

Township 22 North – Range 15 West

Section 2 – South Half of North Half of Southwest Quarter of Northeast Quarter (S/2 of N/2 of N/2 of SW/4 of NE/4), containing 9.25 acres

Section 4 – East Half of Northeast Quarter of Northeast Quarter (E/2 of NE/4 of NE/4) Containing 20 acres.

Township 23 North – Range 15 West

Section 29 – Southwest Quarter of Southeast Quarter (SW/4 of SE/4) containing 40 acres.

Section 33 – Southwest Quarter of Southwest Quarter (SW/4 of SW/4) containing 40 acre

Section 35 – 6 acres of the Part lying west of the T & P Railway

Section 35 – 6.1 acres of abandoned Right of Way of T & P RY in Northwest Quarter of Northwest Quarter (NW/4 of NW/4)

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Section 35 – It is the intent to lease all acreage owned by Jack Dominick Jr. located in Section 35 consisting of lots and small acreage in Mira containing 10 acres more or less.

Section 36 – A 54.4 acre tract located in the Northeast Quarter of Section 36 being more particularly described as commencing at a point 500' West of the Northeast corner of said Section 36; thence run West along the North boundary line of said Section 36 a distance of 2156' to a point which is the Northwest corner of the Northeast Quarter of said Section 36; thence run South along the centerline of the Section a distance of 1900' to a point on the centerline of the Mira-Scott's Slough Road; thence run Northeasterly along the centerline of the said road to a point 500' due West of the East line of said Section 36 and due South of the starting point; thence run North and parallel to the East line of the Section to the point of beginning on the North line of said Section 36.

The lands described above are deemed to contain some 1,500.00 acres, whether more or less, and this includes any land located in Bossier Parish adjoining any of the Red River Property.

